

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN

SG INDUSTRIES, INC.,

Case No.

Plaintiff,

**NOTICE OF REMOVAL OF
ACTION UNDER 28 U.S.C. § 1441(b)**

v.

RSM MCGLADREY, INC.,

State of Michigan Oakland County
Circuit Court
Case No. 10-107795-NM

Defendant. /

TO THE CLERK OF THE ABOVE-ENTITLED COURT;

PLEASE TAKE NOTICE that Defendant RSM McGladrey, Inc. (“RSM”) hereby removes to this Court the state court action described below.

1. On or about February 17, 2010, Plaintiff SG Industries, Inc. (“SG”) commenced this action in the Oakland County Circuit Court of the State of Michigan (the “State Court”) (Case Number 10-107795-NM). A copy of the summons and complaint is attached hereto as Exhibit 1. In the action, SG seeks damages in connection with various claims related to its engagement of RSM to prepare tax returns and filings and provide tax planning advice.

2. RSM was served with a copy of the summons and complaint no earlier than February 18, 2010. Accordingly, this Notice of Removal is timely because it is being filed within 30 days after receipt of a copy of the initial pleadings setting forth the claim or causes of action sought to be removed.

3. This action is a civil action of which this Court has original jurisdiction under 28 U.S.C. § 1332, and is one which may be removed to this Court by RSM pursuant to the provisions of 28 U.S.C. § 1441(b) in that it is a civil action between citizens of different states and the matter in controversy exceeds the sum of \$75,000, exclusive of interest and costs.

4. RSM is informed and believes that SG was, at the time of the filing of this action, and still is, an Illinois corporation with its principal place of business in Illinois. RSM was, at the time of the filing of this action, and still is, a Delaware corporation with its principal place of business in Minnesota.

5. The matter in controversy exceeds the sum of \$75,000 exclusive of interest and costs. In its Complaint, SG asserts two counts against RSM, one for professional malpractice and the other for breach of contract, both arising out of SG's engagement of RSM to perform tax preparation services and render tax planning advice. SG alleges that its damages resulted from the following enumerated matters: (i) accrued payroll tax deficiencies, (ii) prepaid item deductions; (iii) accrued vacation pay deductions; (iv) use of research credit; (v) establishment and use of an IC-DISC; and (vi) maximizing state tax opportunities (the "Listed Items"). (Complaint, ¶10)

6. Prior to commencing this action, SG sent RSM a report detailing its position with respect to each of the Listed Items and setting forth, in connection with the

first two Items, specific dollar amounts representing SG's alleged estimated losses. The losses alleged in just those first two items well exceed \$75,000.

7. This Notice of Removal will be filed with the State Court.

DATED: March 19, 2010

BUTZEL LONG

/s/ John E. Benko

John E. Benko, Esq. (P58874)
150 West Jefferson
Suite 100
Detroit, Michigan 48226
Telephone: (313) 225-7000
Facsimile: (313) 225-7080
E-mail: benko@butzel.com

Lynne M. Fischman Uniman, Esq.
Anju Uchima, Esq.
ANDREWS KURTH LLP
450 Lexington Avenue, 15th Floor
New York, New York 10017
Telephone: (212) 850-2800
Facsimile: (212) 850-2929
E-mail: AnjuUchima@andrewskurth.com

*Attorneys for Defendant RSM McGladrey,
Inc.*

CERTIFICATE OF SERVICE

I hereby certify that on the 19th day of March, 2010 I electronically filed the foregoing papers with the Clerk of the Court using the ECF system.

I hereby further certify that on the above date I served said papers on opposing counsel VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED as follows:

Mark L. Kowalsky, Esq.
Michael F. Jacobson, Esq.
Patrice Arend, Esq.
Jaffe, Raitt Heuer & Weiss, PC
27777 Franklin Rd., Suite 2500
Southfield, MI 48034

BUTZEL LONG

/s/ John E. Benko
John E. Benko, Esq. (P58874)
150 West Jefferson
Suite 100
Detroit, Michigan 48226
Telephone: (313) 225-7000
Facsimile: (313) 225-7080
E-mail: benko@butzel.com